

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1689 – HB 2056

March 12, 2009

SUMMARY OF BILL: Expands the definition of “selling” to include casual sale of foods at farmers’ markets. Exempts any person preparing food at home-based kitchens for sale at farmers’ markets from regulations established by the Department of Agriculture.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$16,000

Decrease State Expenditures – Not Significant

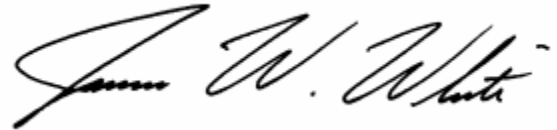
Assumptions:

- According to the Department of Agriculture, there are 43 existing Domestic Kitchen valid permits with more applications pending. There is a permit fee of \$50 required for each. The estimated loss of revenue for exempting these permit holders would be \$2,150 (\$50 fee X 43 permit holders).
- To date, over 300 individuals have attended the University of Tennessee Department of Food Science and Technology Food Safety Certification Course. Another 48 individuals are scheduled to attend the next course offered March 2009. The university charges \$100 per attendee for this course for estimated total revenue for the March 2009 class of \$4,800 (48 registrants x \$100).
- It is assumed that 60 percent (180) of those attending the UT course will apply for or currently have a Domestic Kitchen permit. The estimated loss of permit revenue is calculated to be \$9,000 (180 applicants x \$50 permit fee).
- Total loss of revenue for the state is estimated at \$15,950 (\$2,150 from current permits + \$4,800 from UT course + \$9,000 permit fees).
- According to the Department of Agriculture, there will be a reduction in personnel expenses currently delegated to the issuing of licenses and inspection of facilities that is estimated at 7.7 percent of one full-time Food and Dairy Inspector. This time will be reallocated to the licensure and inspection of other programs such as retail food, food

manufacturing, or dairy facilities. The decrease in expenditures is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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